New marketing technologies and techniques have created exponential growth in campaign scenarios. But providing dynamic real-time content curation/creation remains a last-mile challenge. It's time to embrace and extend dynamic content optimization technologies across the martech/adtech stack.

Fixing the Content Gap to Deliver a Dynamic Customer Experience

May 2023

Written by: Roger Beharry Lall, Research Director, Marketing and Promotional Applications

Introduction

Delivering personalized content across an increasingly dynamic customer experience (CX) journey is an essential component of modern marketing campaigns. However, it is often the area with the least amount of focus. While marketers aspire to create personalized and relevant campaigns, the reality is content is often the "final mile" in the process and is particularly challenging to scale.

Leveraging tools like marketing automation platforms (MAP) and customer data platforms (CDPs), campaign ideation in scenario building has resulted in exponential growth in this area. However, while organizations have invested in the related infrastructure to understand customers and their behaviors, insufficient attention has been paid to scale the corresponding content resources. To address this *final mile challenge*, organizations need to embrace tools that provide personalized messaging at scale to support real-time, dynamically generated customer experiences.

AT A GLANCE

KEY STATS

» While half of surveyed organizations (50.5–52.4%) plan to invest in digital advertising, only 40.8% plan to invest in content creation or management. This creates a significant gap in the ability of marketers to deliver the content needed to support a dynamic customer experience.

The Growth in Marketing Campaigns

Until recently, it was common for marketers to schedule single, integrated "batch and blast" campaigns, timed at the marketer's discretion. While seldom personalized, relevant, or even compliant, these campaigns were created, and expanded, in an *arithmetic* fashion with each functional area scaling accordingly in response.

With the introduction of marketing automation platforms — typically layered on top of CRM data sets — marketers were able to design a collection of campaigns based on limited, but more personal, information. This next stage of maturity saw campaigns expanding in a *multiplicative* manner, with marketers generating dozens of known and controllable scenarios with drag-and-drop ease as shown on the left side of Figure 1.

In both the arithmetic and multiplicative stages of campaign growth, creativity and personalization are key drivers of success. Recently, however, marketers have been introduced to advanced data and intelligence tools like CDPs, which provide an almost unlimited amount of intelligence. Each data point — including buyer intention, recent purchase, geography, time zone, average spend, current cart size, and past downloads — is driving *exponential* growth in campaigns as shown on the right side of Figure 1. While exciting for campaign managers, this data-driven reality has proved problematic for downstream functional groups within the marketing organization that struggle to execute against the seemingly infinite set of auto-generated, real-time campaign ideations. In this new context, content curation at scale becomes a new driver of success — one that many CMOs are ill-prepared to support.

FIGURE 1: *Marketing Campaign Growth: Arithmetic, Multiplicative, Exponential*
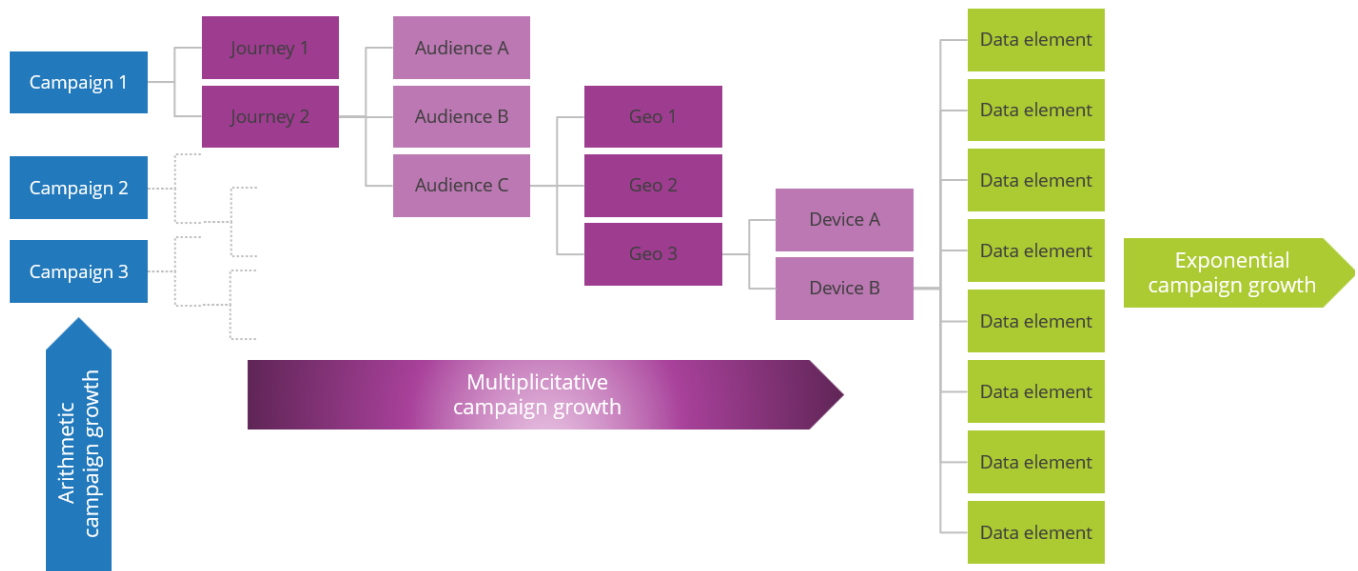
Source: IDC, 2023

## The Unified Omni-Channel Reality

Over the past decade, organizations have evolved from single channel (e.g., email marketing) to multichannel (e.g., email and SMS; in-app and banners) to omni-channel (a robust and integrated approach to outreach and engagement across multiple channels that leverages aspects of data, automation, journey optimization, audience segmentation, etc.)

However, this evolution has occurred simultaneously in two separate and divergent camps — martech and adtech. Focused on programmatic campaigns across audiences generated by broad data sets (some owned and some derived from third parties), advertising professionals think of channels that include connected TV, retail media, digital out of home, and display ads. Meanwhile, marketing leaders, focused on ongoing/personalized outreach to individuals based on (ideally) first-party data, have targeted orchestration across channels that include email, web, SEO/SEM, social, and mobile.

From both a CMO and a customer perspective, it is crucial to acknowledge the increasing number of overlapping tactics such as digital display ads, social media marketing, and videos that can fit into multiple categories or none at

all. This division between adtech and martech omni-channels creates silos in terms of data, technology, tactics, teams, and experience, ultimately leading to a fragmented marketing approach that yields suboptimal results. Although the concept of unifying these channels seems intuitive, most organizations lack the necessary tools — and scalable content curation systems — to support this unified approach. This lack of coordination between adtech and martech departments, results, for example, in the production of isolated generic emails by marketing organizations, unaware of the numerous programmatic digital ad imagery already developed by their advertising counterparts. Unfortunately, existing systems do not facilitate the seamless flow of content across these realms, hindering the ability of organizations to support personalization at scale across the unified omni-channel (see Figure 2).

FIGURE 2: *The Unified Omni-Channel*
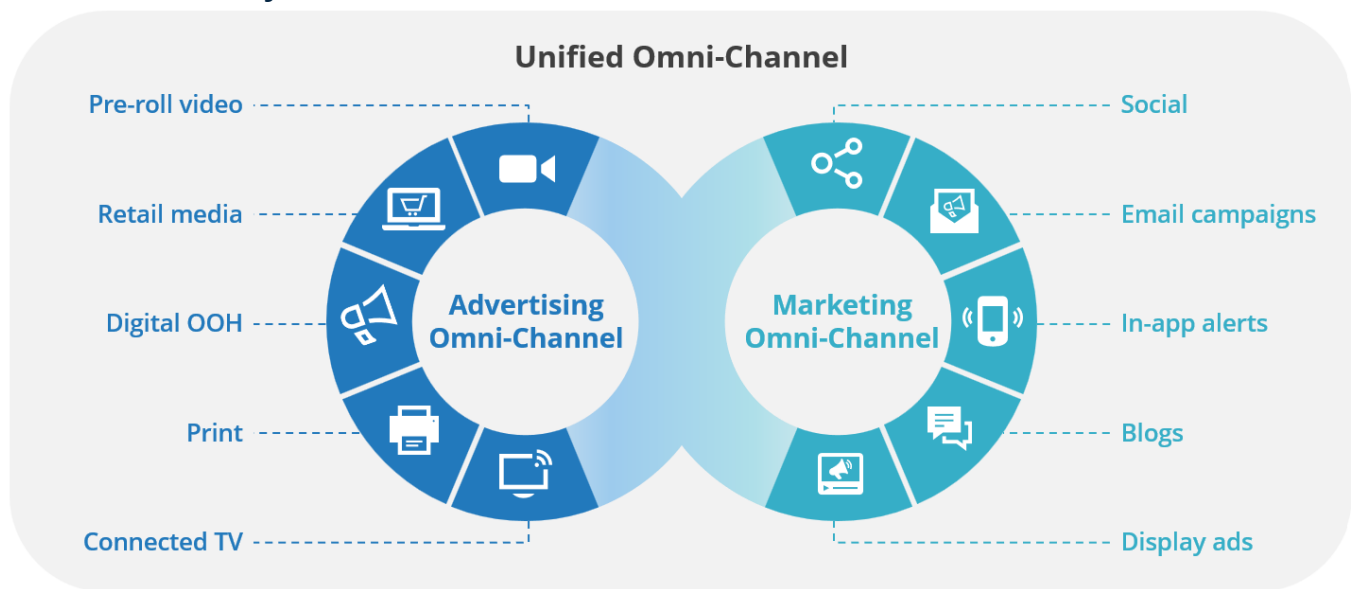
Source: IDC, 2023

The Dynamic Customer Experience Content Gap

To ensure an effective customer journey, the content accompanying each step must be meticulously crafted. For instance, displaying a beach image in winter or offering a trivial 10% coupon to a loyal customer can have unintended effects. While tools like CDPs have enabled marketers to support dynamic customer experiences, delivering personalized content at scale remains a challenge. Traditionally, creating tailored assets for individual scenarios required significant resources and customization efforts.

Organizations create tailored assets in a one-by-one manner through individual contributors who customized text, graphics, headers, calls to action (CTAs), discount offers, and more for each scenario. Even many current martech/adtech solutions fall short in the content creation area, force-fitting information into templates without achieving true personalization.

However, forward-thinking CMOs are now turning to data-driven dynamic creative optimization (DCO) tools to generate customized content at scale, allowing for learning, optimization, and scalability.

To achieve the desired level of personalization, marketers can leverage technologies that break down graphics into smaller elements tied to different data feeds (i.e., atomic content). This enables the customization of final assets by reconfiguring and incorporating relevant content elements based on data triggers. However, ensuring alignment across various campaign iterations necessitates a graphics platform with deep audience understanding, seamless data integration, and the ability to create high-quality content.

A shift in content delivery approaches is necessary to meet the demand for personalized experiences. Many traditional content systems have struggled to adapt to the real-time, data-driven landscape. While programmatic advertising systems have embraced aspects of personalization, marketing is now seeking to deliver web pages and emails in a similarly tailored manner. This requires CMOs to reconsider their tech stack. While content management systems (CMSs) offer flexibility, they often lack dynamic content creation and responsiveness to data triggers. CDPs provide centralized data storage but may be limited in execution capabilities. These tools are essential but not comprehensive solutions.

Organizations require lightweight tools that can be easily deployed and seamlessly integrated with existing CMS, CDP, DAMs, and more. Modern dynamic content platforms can personalize assets at scale to address the dynamic customer experience expected in the fast-paced and hyper-competitive advertising and marketing landscape.

Extending Dynamic Content Optimization

Dynamic content optimization has revolutionized the way marketers approach advertising. By providing an automated, data-driven way of creating and deploying ads, DCO has made it possible for brands to deliver personalized messages to their target audiences on a massive scale. However, most DCO solutions are reliant on third-party cookies, which are quickly becoming a thing of the past. In addition, while these solutions are adept at optimizing against a set number of criteria, with real-time data now powering infinite campaign scenarios, DCOs are reaching their limits. To counter these challenges, advertisers are increasingly turning to first-party ad delivery as a means of understanding their customers' behavior and delivering personalized experiences.

Historically, DCO efforts were driven by programmatic advertising, which, through the incorporation of machine learning (ML) and artificial intelligence (AI), can now be applied to an increasing array of media from display ads and social media to mobile apps and connected TV. This means that marketers can now drive the entire customer journey, from initial awareness to final conversion, using highly personalized and engaging content that is tailored to the individual needs and preferences of each consumer.

To bring the programmatic lessons of their advertising team to the marketing arena, CMOs need to invest in newer, more agile content orchestration tools. Agile DCO solutions enable marketers to create marketing campaign assets in real time, powered by streaming data. This allows brands to achieve unmatched levels of personalization and relevance in their advertising, reaching consumers with highly targeted messages that resonate with their specific interests and preferences. As a result, brands can provide a more seamless and efficient advertising experience. By integrating content from end to end, marketers can ensure a consistent and engaging experience across all touch points, which helps to enhance brand awareness, foster customer loyalty, and ultimately drive sales and revenue.

Implementation and Integration Challenges

Marketers have made significant investments in data and the martech stack. However, marketing hubs, which remain central to the tech stack, can be challenging to integrate or customize, and they typically focus more on campaign management than content creation. Moreover, thanks to SaaS implementation conveniences, enterprises now use dozens, if not hundreds, of martech/adtech SaaS solutions. This reality makes it challenging to integrate a real-time content delivery solution.

CMOs face the challenge of making these investments work together seamlessly and extending the stack to support data-driven dynamic content creation. This is crucial to addressing today's real-time customer experience landscape, which encompasses channels ranging from in-app promotions to digital signage, advertising, and email/SMS, web content, and much more.

While martech vendors have successfully enabled marketers to send emails without delving into the nuances of an ESP, a gap remains in the martech stack when it comes to developing the exponential volume of customized content necessitated by email campaign iterations — not to mention the multitude of other campaigns across advertising and marketing journeys.

To overcome these challenges, marketers need a new, agile approach. This approach involves layering workflow-centric tools onto existing tool platforms to deliver an optimized customer experience across owned and earned mediums.

Definitions

» **Marketing campaign management** (often referred to as marketing automation platforms [MAPs]) drives the customer acquisition process by enabling personalized interactive communications across any media channel and device. They track, analyze, and optimize marketing performance. Key use cases include customer acquisition, outbound and inbound marketing, lead generation and scoring, brand management, and audience segmentation and personalization. Key components are typically an execution platform, analytics engine, and a database.

» **Customer data platforms (CDPs)** are software products providing baseline functionality:

- Ingest customer data from source repositories and store it persistently for activation through analytics.

- Perform ETL/ELT on multiple data formats (including batch, streaming, structured, and unstructured).

- Resolve customer identities across sources, devices, and channels.

- Perform data hygiene functions (deduplication, completeness, freshness, and governance).

- Manage data from first- and/or second- and third-party sources.

- Inherit and maintain data privacy, consent, and governance policies.

- Offer advanced audience analytics and flexible tagging schemas, persona and segmentation models, and personalization capabilities.

» **Customer relationship management applications** automate the customer-facing business processes within an organization, irrespective of industry specificity (i.e., advertising, marketing, digital commerce, sales, customer service, and contact center). Collectively, these applications serve to manage the entire life cycle of a customer — including the process of brand building, conversion of a prospect to a customer, and the servicing of a customer — and help an organization build and maintain successful relationships. Interactions in support of this process can occur through multiple channels of communication.

» **Demand-side platforms (DSPs)** are systems purchasing display and video advertising inventory on behalf of buyers, typically in real time.

» **Dynamic creative optimization (DCO) platforms** generate ad creatives with text, graphics, offers, and so forth custom tailored to a specific user or demographic based on data on their profile in real time with the goal to make the advertisement more effective.

» **Digital asset management systems** ingest, categorize, manage, and distribute digital assets, and dynamic media solutions manipulate the layers of image and rich media assets to zoom, recolor, and otherwise transform assets on the fly.

» **Persuasive content management software** solutions curate, manage, publish, and deliver editorial, image, rich media, and product content to omni-channel experiences including websites, mobile apps, social networks, digital signs, IoT apps, and other customer touch points.

» **Advertising servers** decide for which advertising campaign an available impression should be used (based on parameters set by the publisher) and physically insert a display or video ad creative into the respective medium.

» **Atomic content** is a content model where structured contents have been broken down into their smallest constituent parts, ready to be reused in larger contexts.

Benefits

To achieve the goals of modern marketing organizations, a more robust approach to campaign fulfilment and execution is required. Tools like marketing automation platforms and customer data platforms are increasingly commonplace and have driven the exponential growth in campaign ideation and scenario building; however, insufficient attention has been paid to scaling corresponding dynamic content resources.

This final mile challenge can be addressed by embracing dynamic tools that can support real-time data-driven content creation to provide personalized messaging at scale. Data-driven dynamic creative optimization solutions can help generate more customized or personalized content tailored to each prospecting scenario, driving higher conversion rates and greater relevance.

Companies can achieve better returns on advertising spend, and similarly improved marketing performance metrics by delivering customization at scale across the infinitely targeted campaigns. Agile solutions allow marketers to deliver real-time, data-enabled messaging to reach consumers in a timelier manner and finally realizing the full benefits of streaming data resident (but often dormant) in many CDP tools.

By integrating content from end-to-end, marketers can ensure a consistent and engaging experience across all touch points, which helps to enhance brand awareness, foster customer loyalty, and ultimately drive sales and revenue.

Key Trends

Martech investment in content is lagging despite the opportunity to improve content execution at scale using dynamic tool sets. Marketing leaders are placing a lower priority on content creation and management than other categories as indicated in Figure 3. IDC sees around half of marketing leaders intend to invest in campaign-related platforms like digital advertising and marketing automation (52.4% and 50.5%, respectively). However, a disappointing 40% indicated increased investment in content creation or content management. There is an opportunity for organizations to leapfrog the competition by investing in this often-disregarded area, proving the last mile and showing the common tactic of exponential campaign ideation.

FIGURE 3: *Select Martech Functional Category Spending Increases*
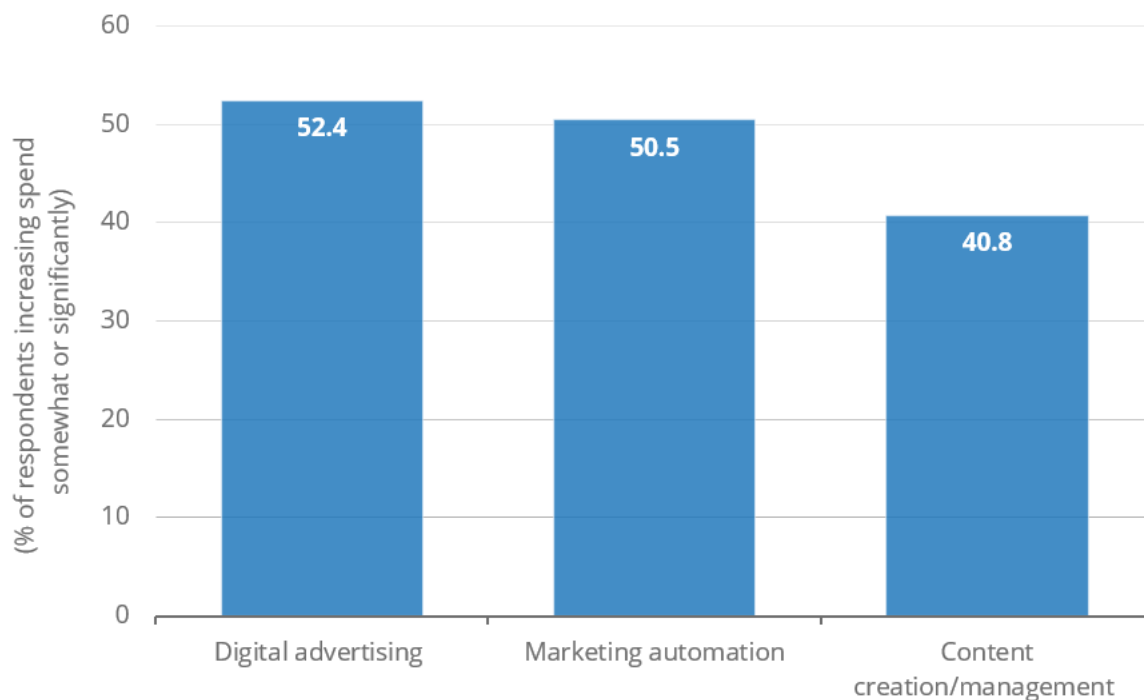
Source: IDC's SMB Martech Survey, Responding to Challenge, 2023

Considering Innervate

Innervate aims to provide seamless digital customer experiences across various touch points, such as websites, consumer apps, email, reg flows, and even retail media, and has already gained traction with large enterprise organizations such as Nordstrom and Allstate.

Historically, companies have invested in numerous systems and data sources, which have become siloed over the years, making it challenging to deliver dynamic customer experiences at the speed demanded by the market. Innervate looks to address this challenge by focusing on innovations across four key areas:

» Connect back-end systems with consumer touch points in a straightforward manner without coding, allowing them to be connected to a dynamic CX hub where creativity can be built, optimized, and personalized.

» Offer a massive library of channel connectors that make it easy to "innervate" other touch points, such as email, websites, social, and digital advertising.

» Make it easy to socialize, organize campaigns, approve, and see the history of everything that's going on.

» Offer the Innervate Pass, which aims to simplify the procurement process and make it easy for users to adopt new use cases without having to buy more tools.

The company strives to address the silo challenge that exists in many enterprise marketing organizations. Its plug-and-play approach offers connectors, not replacements, into current platforms, eliminating the need for enterprises to retool their martech stack. Their platform places significant importance on creative production, providing production automation tools that are integrated into its system. Designers can work alongside other team members in the solution to deliver personalized content at scale.

Innervate enables marketers and advertisers to create customer experiences in real time, powered by streaming data allowing brands to stay ahead of the competition by quickly adapting to changes in the market and providing personalized, relevant messaging to their target audience.

Challenges

While Innervate represents an exciting vendor seeking to reinvigorate the content marketing and customer experience landscape, there are some areas that may represent challenges to their continued success and should be monitored:

» The CDP market is evolving quickly, and many vendors are seeking to add activation functionality. As these vendors layer on campaign delivery capabilities – whether through organic development or partnership with existing martech vendors (e.g., DAM, CMS) — these vendors may pose a categorical threat to Innervate. However, Innervate's maturing application suite and integration orientation may stave off CDP vendor encroachment.

» The DCO vendors, while historically advertising oriented, may take on similar goals and begin targeting marketing professionals as adtech and martech worlds continue to overlap. This would represent a significant strategic shift and require both go-to-market and technical retooling.

» Generative AI (GenAI), while still in its nascent stage, promises to deliver content at scale. The degree to which it can be integrated (with efficacy and ethicality) into the broader martech stack, however, is yet to be seen. As the technology matures and other vendors incorporate the functionality into their offerings, this may pose a threat to Innervate. GenAI is not a cure-all, and Innervate's deep experience in content delivery will help differentiate it against players implementing superficial solutions based on AI's novelty. Moreover,

GenAI may also represent an opportunity for Innervate — to the degree to which it can remain on the cutting edge.

Conclusion

In the fast-paced landscape of modern marketing, delivering personalized, relevant, and engaging content across the customer experience journey is a critical, yet often overlooked aspect. The advent of marketing automation, customer data platforms, and other tools has brought about exponential growth in campaign scenarios, resulting in an urgent need for curated and created content assets. However, organizations have struggled to meet the evolving demands for real-time content across diverse marketing and advertising channels.

To overcome these challenges, it is imperative for organizations to embrace content platforms that possess the capabilities to curate and create assets that support dynamic customer experiences at scale. By extending the capabilities of traditional dynamic content optimization applications and deeply integrating these platforms into their current marketing and advertising stacks, organizations can attain the agility required to effectively address the ever-growing demands of customers and prospects.

Prioritizing the scaling of content resources is crucial to fully harness the benefits of personalization and drive business growth. This strategic focus empowers marketers to achieve brand awareness, foster customer loyalty, and drive revenue growth. By dedicating attention and resources to this aspect, organizations can realize the true potential of delivering customer experiences that resonate at every touch point.

About the Analyst

Roger Beharry Lall, *Research Director, Marketing and Promotional Applications*

Roger Beharry Lall is a Research Director with IDC focused on Marketing and Promotional Applications. With over 25 years' experience building and scaling marketing initiatives, Mr. Beharry Lall now evangelizes the innovative and pragmatic use of marketing technologies for midsize organizations around the world through competitive assessments, market forecasts, maturity models, and best practice guidance.

MESSAGE FROM THE SPONSOR

More About Innervate

Innervate, the Dynamic Customer Experience company, delivers a plug-and-play solution that allows organizations to orchestrate unlimited CX use cases seamlessly across any channel using their existing systems and teams. With Innervate's dynamic customer experience orchestration solution, enterprises get modern CX use cases to market faster with Innervate's open network architecture that easily connects systems and data sources — no coding required. Organizations quickly innovate unlimited CX use cases across channels, using existing systems, data sources and teams and ultimately grow a portfolio of dynamic CX use cases enriched by the data and systems they've already invested in. Welcome to the era of plug-and-play CX. Learn more at innervate.com.

⬡ **IDC** Custom Solutions

The content in this paper was adapted from existing IDC research published on www.idc.com.

IDC Research, Inc.

140 Kendrick Street

Building B

Nedham, MA 02494, USA

T 508.872.8200

F 508.935.4015

Twitter @IDC

idc-insights-community.com

www.idc.com

⣿ IDC